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MBAK Energy Solutions (OTC: MBAK) Initiating Coverage

An investigation into OTC-listed MBAK: a French criminal judgment never disclosed to investors, a concealed federal RICO lawsuit, and revenue that exists on paper.

OUR RATING: STRONG SELL **TARGET PRICE:** $0.00

Published: March 30, 2026, Updated: April 6, 2026

Readers are encouraged to consult the current version of this report, including all updates and corrections, published at: https://hardlineresearch.substack.com/p/mbak-energy-solutions-investigation.

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KEY FINDINGS

- **A French court found Michelle Boos guilty of fraud. Investors have never been told.** On February 10, 2022, the Tribunal Correctionnel de Niort found Boos guilty of bankruptcy fraud and fraud in connection with SAS MIA ELECTRIC, sentencing her to three years' imprisonment, with two years active, and issuing a **permanent, definitive ban** on directing, administering, managing, or controlling any commercial enterprise. An appeal was filed and proceedings remain ongoing as of the publication date of this report. No final appellate judgment has been publicly reported. The February 2022 judgment has never appeared in any MBAK investor disclosure.

- **Press releases said MIA Global bought MBAK. The controlling shares ended up in Michelle Boos's personal name.** Multiple press releases from 2024-2025 identified MIA Global as the entity "acquiring" MBAK. The Annual Report confirms the 10,000,000 Series A Preferred shares (the controlling instrument) are held by Michelle Boos personally. The same Annual Report demotes MIA Global from "Controlling Parent" to merely "Affiliate" without explanation. If MIA Global's funds paid for the shares, the value was captured personally rather than by the entity investors were told was acquiring the company.

- **Active federal RICO lawsuit concealed from the certified Annual Report.** The Oklahoma federal action (Case 4:26-cv-00091) was filed January 21, 2026. The Annual Report, certified February 14, 2026 — 24 days later — states: "there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of our operations." This statement, read together with Note 9's subsequent events window, is demonstrably false. Two favorable events from the same window were disclosed. The active RICO lawsuit was not.

- **90% of reported revenue was never collected.** MBAK reported $4.43 million in 2025 revenues. Over 90% sits in uncollected Accounts Receivable. The corresponding cost of goods was never paid in cash, offset by a nearly identical $3.16 million paper liability to an unnamed "subsidiary" that does not appear as an owned asset anywhere in the same filing. We call this the Paper Cycle.

- **A secret claim on 55% of the company has never been disclosed.** MBAK's OTC-verified disclosures state the Series A Preferred shares have "no right to participate in liquidation distributions." The 2017 Certificate of Designation filed with Wyoming appears to grant the Series A holder 55% of all distributions upon liquidation. These two statements have never been reconciled by the Issuer.

- **The "Independent Director" is a statutory officer.** Wyoming Secretary of State records confirm that Nolin Han, certified to OTC Markets as an Independent Director, is the statutory Treasurer of MBAK. Officer status is categorically disqualifying for independence under any governance standard. This certification is false on its face and verifiable in seconds from a public database.

- **The buyback was funded with paper-derived cash.** In February 2026 MBAK announced a $500,000 share repurchase "funded through existing cash reserves." Those reserves consist of $298,598 arithmetically produced through the Paper Cycle, not collected from customers.

- **The $65 million revenue pipeline is built on a $1,200 subsidiary.** MBAK India Private Ltd., identified as managing the $65 million BESS order pipeline, was incorporated with authorized capital of INR 100,000 (approximately $1,200 USD).

- **MBAK's own website directs customers to MIA Global inside the BAK Power building in Shenzhen.** MBAK's public contact page reads: "For all battery and

electronic products enquiries: MIA GLOBAL, BAK Building, Suite 1301, Keyuan Road, Nanshan District, Shenzhen." The BAK Building at Keyuan Road is the headquarters of Shenzhen BAK Power Battery Co., Ltd., a legitimate Chinese battery manufacturer in which CBAK Energy Technology (NASDAQ: CBAT) holds a 5% stake and has a commercial battery supply agreement. CBAK Energy Technology is named as a co-defendant in the RICO lawsuit alongside MBAK. MIA Global, the primary defendant in that same lawsuit, is directing MBAK's customers to a suite inside the building of a company commercially linked to the Nasdaq co-defendant. Neither MBAK nor CBAK has disclosed this arrangement.

- **MBAK's ticker appears designed to echo a real Nasdaq battery company.** MBAK's ticker closely resembles CBAK, the former Nasdaq ticker of China BAK Battery, Inc. (now CBAK Energy Technology, NASDAQ: CBAT). China BAK Battery is named as a co-defendant in the federal RICO lawsuit. We believe the name choice was designed to create implied association with a legitimate battery manufacturer.

Introduction: What Is MBAK Energy Solutions?

MBAK Energy Solutions, Inc. trades on OTC Markets under the ticker MBAK. It was founded in 2000 under the name Alternet Systems, Inc. (ticker: ALYI). Over the course of its 25-year existence, the company has cycled through at least three distinct business identities, each announced with press releases, each eventually abandoned without explanation:

- Telecom and systems technology (founding identity, early 2000s)
- Digital commerce, cryptocurrency payments, and predictive analytics (circa 2014–2019, following the divestiture of a main subsidiary in 2014)
- Electric vehicle "ecosystem" centered on electric motorcycle deployments in sub-Saharan Africa, with announced partnerships spanning water purification, aviation, and telecommunications (circa 2020–2023)

In October 2024, a company called MIA Global, Inc. announced it was acquiring the controlling interest in Alternet Systems. The press release described MIA Global as "a green energy company focusing on e-mobility products for automotive, maritime, and aeronautical uses" whose affiliated companies had "sold over 5,600 electric vehicles since 2010." The acquisition rebranded the company's business model once more: Alternet Systems was repositioned as a battery manufacturing and battery energy storage system (BESS) company. In June 2025 the company formally changed its name to MBAK Energy Solutions, Inc. In November 2025 the OTC ticker changed from ALYI to MBAK.

Under its latest leadership, MBAK has issued a steady stream of press releases describing a $65 million order pipeline, active BESS deployments across India, Zambia, and East Africa, and a $500,000 share repurchase funded by "existing cash reserves." The 2025 Annual Report tells a different story. This report examines that story in detail.

Who Is MIA Global?

MIA Global, Inc. is a private company that has not filed any public financial statements in any jurisdiction. Its principal and public face is Michelle Boos, a Franco-Korean businesswoman who serves as Chairman of MBAK Energy Solutions. MIA Global describes itself as having operated since 2010 across e-mobility, energy storage, and green transportation. Neither MIA Global's founding documents, financial history, nor operational track record have been independently verified through any public disclosure. MBAK's current Chief Strategist, Tony Tsai, previously served as Vice President of Corporate Affairs at Cenntro Electric Group (NASDAQ: CENN) from July 2013 onwards, according to Cenntro's own SEC filings. What is publicly documented about Michelle Boos herself is the subject of Section 1.

Source: MBAK/ALYI press releases, October 4, 2024 (MIA Global acquisition announcement); OTC Markets MBAK issuer profile; MBAK ticker change announcement, November 28, 2025; Alternet Systems SEC filings 2015–2023.

1. Who Is Michelle Boos?

Most investors in MBAK Energy Solutions know the company through its press releases: a promising battery energy storage platform, a $65 million order pipeline, and a Chairman described as a clean energy entrepreneur. At a current share price of approximately $0.0045, the market is valuing MBAK at roughly $13.8 million. We believe the intrinsic value, when the financial structure documented in this report is properly understood, is zero.

Michelle Boos is a Franco-Korean businesswoman who has operated across France, Germany, South Korea, and the United States. Her professional biography, as she presents it, includes expertise in venture capital, corporate restructuring, and clean energy. The reality documented in public court records is considerably different.

The MIA Electric Collapse

In June 2013, Boos arrived at MIA Electric, a French electric vehicle manufacturer based in Cerizay, Deux-Sèvres and backed by the regional government of Poitou-Charentes, promising to invest €36 million and transform the company into a global electric vehicle brand. She was appointed President.

Within months, the company was in freefall. As established by the Tribunal Correctionnel de Niort in its February 2022 judgment, Boos immediately halved the selling price of the company's vehicles below their cost of production, collected deposits from customers for vehicles she knew could not be delivered, diverted company funds to cover personal expenses, and systematically stonewalled the company's auditors. By March 2014, nine months after her arrival, MIA Electric was placed in judicial liquidation with over €20 million in liabilities against €10 million in realizable assets.

After the liquidation, Boos attempted to re-acquire the company's assets through a shell company, a transaction subsequently annulled by both the Tribunal de Commerce and the Cour d'Appel de Poitiers, which found it was an illegal attempt by the former director to repurchase assets she was legally prohibited from acquiring.

The French Criminal Conviction

On February 10, 2022, the Tribunal Correctionnel de Niort issued its judgment:

- **Guilty:** Obstacle aux vérifications des commissaires aux comptes (obstruction of auditor verification)
- **Guilty:** Banqueroute par emploi de moyens ruineux (bankruptcy fraud by use of ruinous means)
- **Guilty:** Escroquerie (fraud) in connection with the fraudulent re-acquisition of MIA Electric's assets
- **Sentence:** Three years' imprisonment, with two years active
- **Fine:** €150,000
- **Permanent ban:** Interdiction définitive d'exercer une profession commerciale ou industrielle, de diriger, administrer, gérer ou contrôler une entreprise ou une société. This translates as a permanent, definitive ban on directing, administering, managing, or controlling any commercial enterprise.

That final item bears emphasis. The February 2022 judgment of the Tribunal Correctionnel de Niort includes a **permanent, definitive ban** on Boos directing, administering, managing, or controlling any commercial enterprise. This sanction was issued under French criminal law and carries direct legal force in France. Within the European Union, it is recorded through ECRIS, the EU's criminal records exchange system, meaning EU member states are obliged to take it into account in their own proceedings. She currently serves as Chairman of MBAK Energy Solutions, Inc., a U.S. publicly listed company incorporated in Wyoming. An appeal was filed by Boos following the February 2022 judgment. Those appellate proceedings remain ongoing as of the publication date of this report. No public record of a final appellate judgment has been identified by Hardline Research, and no public record indicates the February 2022 judgment or its management ban has been overturned. The appellate court may confirm, modify, or reverse the original judgment. Until it issues a final ruling, the February 2022 judgment of the Tribunal Correctionnel de Niort stands as the most recent documented judicial finding on these matters.

None of this has ever appeared in any MBAK Energy Solutions disclosure. Not the February 2022 judgment. Not the guilty findings it contains. Not the management ban. Not the pending appeal. Not a single word. OTC Markets' own disclosure standards require issuers to disclose material legal proceedings involving officers and directors. Whether a French criminal court's finding of fraud and its associated management ban constitutes a material legal

proceeding is a question that investors and regulators deserve the opportunity to consider. That opportunity has been denied by the complete absence of this information from every filing, every press release, and every management biography MBAK has published.

Source: AFP newswire, February 10, 2022; France Bleu, February 10, 2022; AM-Today, February 10, 2022; Autoactu, February 10, 2022; Le Parisien, November 18, 2021.

The Operational Pattern

MIA Electric was not an isolated incident. The operational playbook appears to follow a consistent pattern across multiple entities and jurisdictions, with the French proceedings providing the most complete documented record: arrive at a distressed or newly promoted entity, promise large investments, collect deposits or raise capital, divert funds, and dissolve or abandon the entity when exposure becomes inevitable. The current MBAK structure, as we document below, follows the same template with precision.

2. The Personal Enrichment Structure: Who Actually Got the Shares?

This section addresses what we believe is the most important question a retail investor in MBAK should ask: if MIA Global was acquiring MBAK, why do the controlling shares belong to Michelle Boos personally?

What Investors Were Told

Between October 2024 and June 2025, MBAK issued a series of press releases identifying MIA Global as the entity acquiring and controlling MBAK. A press release dated October 4, 2024 announced MIA Global was acquiring the controlling interest in Alternet Systems, making it “another MIA Global affiliated company.” A June 2025 press release described management working on “integration with other Mia-Global subsidiaries,” framing MIA Global throughout as the acquiring corporate parent. Investors reading these announcements would reasonably conclude that MIA Global, described as having global battery and energy operations, was the acquirer and that the transaction was an institutional corporate acquisition.

What the Annual Report Reveals

The 2025 Annual Report tells a completely different story on two critical points:

First, the shares went to Boos personally, not to MIA Global. The Annual Report confirms that on March 14, 2025, Ed Bollen sold the 10,000,000 Series A Preferred shares (the controlling instrument of MBAK, representing effective voting control) to **Michelle Boos personally.** Not to MIA Global. Not to any corporate entity. To an individual.

Second, MIA Global was silently demoted. The same Annual Report that confirms Boos personally received the controlling shares now describes MIA Global only as an “Affiliate” of MBAK, not as a controlling parent, not as an acquirer, not as an investor. No press release announced this demotion. No explanation was offered. The controlling parent characterization simply disappeared from the disclosure narrative between the press releases and the Annual Report.

The Structural Implication

The contrast between the investor-facing narrative and the disclosed reality raises a direct question about who paid for the shares. MIA Global was presented to investors as the entity acquiring MBAK. But MIA Global does not appear as a shareholder in the 5%+ beneficial ownership disclosure. No investment by MIA Global in MBAK appears on the balance sheet. The controlling shares are held by Boos personally.

If MIA Global’s funds were used to purchase the Preferred A shares from Bollen, while the shares were simultaneously taken in Boos’s personal name rather than MIA Global’s, the corporate entity’s resources would have been used to personally enrich an individual. This is the structure the active federal RICO litigation is examining. The corporate opportunity doctrine under Wyoming and Delaware law holds that a fiduciary who diverts to herself an asset that rightfully belonged to the corporation she controlled is liable for breach of fiduciary duty and potentially conversion.

For retail investors, the plain language version is this: investors were told an institution was buying control of this company. The Annual Report shows an individual personally controls it. The entity investors were told was the acquirer has been quietly downgraded to a mere “affiliate.” And the same individual who personally received the controlling shares is the same person whose February 2022 French criminal judgment has never been disclosed to investors.

Source: MBAK press releases October 4, 2024 and June 18, 2025; MBAK 2025 Annual Report (OTC Markets, February 14, 2026), Notes 5, 6, 7, and 8.

3. The Lawsuit They Hid

On January 21, 2026, plaintiffs Jimmy Long and Terrence Anton filed a civil complaint against MIA Global USA Inc., MBAK Energy Solutions Inc., Michelle Boos, Gabriel Carrelo, Nolin Han, and others. The case was removed to federal court on February 19, 2026 as Case 4:26-cv-00091 (N.D. Oklahoma). The amended complaint, filed March 19, 2026, alleges Civil RICO, Federal Securities Fraud, Fraudulent Transfer, and related causes of action.

On February 14, 2026 — 24 days after this lawsuit was filed — the MBAK 2025 Annual Report was certified. Note 8 states:

“As of December 31, 2025, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of our operations.”

This statement is false. The company was a named defendant in active litigation at the time of certification. The falsity is established entirely within the four corners of the Annual Report itself — no external evidence required — as the analysis of Note 9 below demonstrates.

Note 9 of the same Annual Report states that subsequent events were evaluated through February 14, 2026. The same note selectively discloses two other events from this window: a share buyback and a board appointment. The active RICO litigation, filed 24 days earlier, is absent. Under ASC 855, the January 21 lawsuit was a mandatory Type II subsequent event disclosure. The pattern of inclusion and exclusion, favorable events disclosed and the active lawsuit omitted, is consistent with deliberate concealment rather than oversight. No innocent explanation has been offered by the Issuer.

The “as of December 31, 2025” framing of Note 8 does not resolve this omission. Note 9 of the same Annual Report explicitly states that subsequent events were evaluated through February 14, 2026 — the certification date. The same document that limits its litigation representation to year-end simultaneously asserts a subsequent events review window extending to the signing date. These two notes cannot be read in isolation from each other. Under ASC 855, any lawsuit filed between the balance sheet date and the financial statement issuance date that could materially affect the company's financial position constitutes a mandatory Type II subsequent event disclosure. Case 4:26-cv-00091 was filed within that window. Its omission cannot be explained by the 'as of December 31' framing when the Issuer simultaneously used the identical post-year-end window to disclose a share buyback and a board appointment. The selective application of the subsequent events window — extended for favorable disclosures, contracted for the active RICO litigation — is not an accounting judgment. It is a choice.

We also note the following fact without characterizing its purpose: MBAK Energy Ops, LLC was incorporated in Wyoming on February 4, 2026. Service of process in Case 4:26-cv-00091 was effected on February 3, 2026. The new entity was incorporated one day after the Oklahoma plaintiffs served the defendants.

Source: MBAK 2025 Annual Report, Notes 8 and 9 (OTC Markets, February 14, 2026); PACER docket, Case 4:26-cv-00091 (N.D. Oklahoma); Wyoming SOS, MBAK Energy Ops LLC incorporation records.

4. The Paper Cycle: Revenue Built on Paper

MBAK’s 2025 Annual Report, unaudited and self-prepared, reports $4,434,588 in revenues for the year ended December 31, 2025. This figure has been cited in press releases and used as the basis for a $500,000 share repurchase. We believe it does not represent genuine economic activity. The table below summarizes the three-year pattern:

Metric	FY 2023	FY 2024	FY 2025
Reported Revenue	$468,000	$543,000	$4,434,588
Accounts Receivable (uncollected)	—	—	$4,004,966
Cost of Goods Sold	$0	$0	$3,173,506
"Due to subsidiary" liability	$0	$0	$3,155,657
Cash on hand (year-end)	$530	$2,956	$298,598

Source: MBAK 2025 Annual Report (OTC Markets, February 14, 2026). FY2023/2024 revenue figures from comparative statements.

A. The Revenue That Was Never Collected

Of the $4,434,588 in reported 2025 revenues, $4,004,966 (over 90%) was recorded as Accounts Receivable, uncollected at year-end. The identity of the customers who owe this $4 million is not disclosed anywhere in the Annual Report. For context: MBAK reported $2,956 in total cash at year-end 2024.

B. The Cost That Was Never Paid

MBAK reported $3,173,506 in Cost of Goods Sold for 2025. The cash flow statement shows no corresponding cash outflow. Instead, a nearly identical $3,155,657 liability labeled **“Due to subsidiary”** appeared on the balance sheet. The company recorded a payable to an unnamed entity it calls a “subsidiary.” The identity of this entity is not disclosed anywhere in the filing.

C. The GAAP Self-Contradiction

The balance sheet labels the liability “Due to subsidiary,” implicitly asserting a subsidiary relationship with the unnamed counterparty. Under U.S. GAAP (ASC 810), a subsidiary requires a controlling financial interest that must appear as an investment asset on the parent’s balance sheet. No investment in any subsidiary appears anywhere on MBAK’s balance sheet. The filing simultaneously asserts a subsidiary relationship and provides zero evidence of that relationship anywhere else in the same document. This is a self-contained internal contradiction requiring no external records to identify.

D. The Phantom Cash Balance

MBAK reported $298,598 in cash at December 31, 2025, up from $2,956 at year-end 2024, $615 in 2022, and $530 in 2023. The cash flow statement shows this balance was arithmetically derived from the interplay of paper receivables and paper payables, not from collecting cash

from customers. The $298,598 is the residue of an accounting structure, not evidence of a functioning business.

E. Zero COGS in 2023 and 2024

MBAK reported exactly $0 in Cost of Goods Sold in both 2023 and 2024, while simultaneously issuing press releases describing active physical deployments of electric motorcycles in East Africa, battery installations, and growing order pipelines. Physical products cannot be manufactured and deployed at zero cost. The sudden appearance of $3.17 million in COGS in 2025, offset by a nearly identical paper liability to an unnamed entity, is more consistent with constructed accounting entries than with genuine commercial activity.

F. The Revenue Recognition Policy Contradiction

The Q3 2025 Quarterly Report, certified November 15, 2025, states in its Revenue Recognition accounting policy that the company "currently generates its revenues from providing consulting services, primarily consisting of project management on existing projects in Colombia and Peru, on a contract basis regarding data analytics solutions." This certification was made while MBAK was simultaneously issuing press releases describing active battery manufacturing, BESS deployments across India, Zambia, and East Africa, and a $65 million order pipeline. The Issuer's own accounting policy, as of November 2025, describes a consulting business operating in South America. It does not describe a battery company.

The Annual Report, certified February 14, 2026, removed this language from its revenue recognition note without explanation or reconciliation. No press release announced the change. No note in the Annual Report acknowledges that the prior disclosure described a different business. The contradiction was not resolved — it was silently deleted.

Source: MBAK 2025 Annual Report (OTC Markets, February 14, 2026), Notes 3, 4, and Balance Sheet; MBAK Q3 2025 Quarterly Report (OTC Markets, November 15, 2025), Note 3a.

5. The Hidden Liquidation Claim: A Secret Right to 55% of the Company

Among all the findings in this report, this one is the most structurally damaging. It is sourced entirely from documents Boos herself caused to be filed.

The Public Narrative

MBAK’s OTC-verified public disclosures describe the 10,000,000 Series A Preferred shares, held entirely by Michelle Boos, as having **“no right to participate in liquidation distributions.”** The 2025 Annual Report repeats this in Note 7. The investor-facing narrative is

that Boos holds control purely for stewardship, with no economic claim on the company's terminal value.

The Legal Reality

The 2017 Certificate of Designation, filed with the State of Wyoming during the Nevada-to-Wyoming continuance, appears to directly contradict this. Based on the language of that instrument, the Series A holder appears to be entitled to **55% of all distributions and net assets upon liquidation.** Boos has simultaneously told investors she has no liquidation claim, while filing a legal instrument giving herself 55% of everything.

The Internal Contradiction Within the Same Filing

Note 7 of the 2025 Annual Report also states: **"The rights and privileges of the preferred stock have not been established."** The same certified document that describes specific rights in its Security Description section simultaneously declares those rights do not exist. This internal inconsistency appears in a CEO-certified filing, compounding the contradiction with the Certificate of Designation.

The three-way contradiction — OTC disclosure says no liquidation right, Certificate of Designation says 55%, Annual Report says rights not established — has never been reconciled by the Issuer. No amendment has been filed. No explanation has been offered.

Source: MBAK 2025 Annual Report (OTC Markets, February 14, 2026), Note 7; Wyoming Certificate of Designation (2017); OTC Markets Verified Public Disclosure.

6. A Company Without a Disclosed CEO

The MBAK 2025 Annual Report lists a CEO and CFO who certified the filing on February 14, 2026. As of mid-March 2026, that officer's name has been removed from the MBAK OTC Markets issuer profile without any corresponding press release, Form 8-K equivalent, or disclosure update from the Issuer.

The company continues to issue promotional press releases projecting $65 million in revenues while its most recent Annual Report, the only certified disclosure currently on file, was signed by an officer who no longer appears in its corporate profile. The public has not been told who, if anyone, is currently running MBAK Energy Solutions.

The absence of a disclosed CEO in a company simultaneously promoting a $65 million pipeline to retail investors, completing a $500,000 share repurchase, and facing an active federal RICO lawsuit is itself a material disclosure failure. OTC Markets' own standards require current and accurate issuer information. A company whose certifying officer has departed without public notification and without naming a successor is not maintaining current and accurate disclosure.

The significance extends to the certified Annual Report itself. The officer who signed that report certified that it contained no material omissions and that the financial statements fairly present the company's condition. The financial irregularities documented in this report suggest that certification was false. The circumstances of the officer's departure, and his current relationship to those certifications, are questions that litigation discovery is well-positioned to address.

Source: OTC Markets MBAK issuer profile (accessed March 2026); MBAK 2025 Annual Report (OTC Markets, February 14, 2026).

7. The Press Release Machine

Since 2024, MBAK has issued a steady stream of press releases describing a rapidly growing global battery and energy storage business. The financial statements tell a different story.

The $500,000 Buyback on Paper-Derived Cash

In February 2026, MBAK filed a Form 8-K announcing a $500,000 share repurchase program **"funded through existing cash reserves and payments generated from recent order fulfillment."** Those cash reserves are the $298,598 arithmetically produced through the Paper Cycle. The cash flow statement contains no corresponding operating cash receipt from customers. Using accounting-derived metrics as the disclosed basis for a federally regulated share repurchase is an independent potential securities violation.

The $65 Million Pipeline and the $1,200 Subsidiary

MBAK's press releases from December 2025 describe a $65 million BESS order pipeline for an Indian power grid. The March 5, 2026 press release announces MBAK India Private Ltd. as the entity managing this integration. Ministry of Corporate Affairs records for India confirm MBAK India was incorporated with authorized capital of INR 100,000 (approximately $1,200 USD). A $1,200 capitalized subsidiary managing $65 million in industrial contracts is not a functioning business. It is a press release vehicle.

The Zambia BESS Announcement and the Borrowed Disclaimer

On March 25, 2026, the company issued a press release announcing an "exclusive cooperation agreement" with LETSATSI Power South Africa to install 50 MWh of BESS in Zambia's Copperbelt province. MBAK's stock opened at $0.0054 that day but closed at $0.0045, a 10% decline. The announcement produced no sustained positive price movement.

The press release contains an anomalous Safe Harbor disclaimer: **"Events mentioned above are intended to comply with SEC Rule 10b-18 in execution."** Rule 10b-18 governs share repurchases and has no application to a cooperation agreement for battery installation in

Zambia. This language appears to have been copied directly from the February 2026 buyback announcement without updating, inadvertently connecting this promotional announcement to the $500,000 buyback and the paper-derived cash that funded it.

Hardline Research is independently investigating the legitimacy of LETSATSI Power South Africa and the reported Zambian government tender. We will publish our findings as they become available.

Source: MBAK press releases December 3, 2025; December 10, 2025; February 2026 (Form 8-K); March 5, 2026; March 25, 2026 (Globe Newswire); MBAK India CIN: U27200TN2026PTC190038 (Ministry of Corporate Affairs India).

8. The MBAK / CBAK Name Question

MBAK Energy Solutions trades on OTC Markets under the ticker MBAK. CBAK Energy Technology, Inc., a legitimate Nasdaq-listed Chinese battery manufacturer headquartered in Dalian, China, traded under the ticker CBAK until November 2018, when it changed to CBAT. Its predecessor legal name was China BAK Battery, Inc.

The similarity between MBAK and CBAK is not subtle. In a sector where retail investors search for battery and energy storage companies, a ticker that differs by one letter from a real Nasdaq battery company creates an association that benefits a promotional campaign. A casual investor researching battery stocks could encounter MBAK and reasonably infer a connection to CBAK's legitimate manufacturing operations in China.

We believe the name choice was deliberate:

- MBAK's ticker (MBAK) differs from CBAK's former Nasdaq ticker (CBAK) by a single letter.
- MBAK's press releases describe battery energy storage systems, the same core business as CBAK Energy Technology.
- China BAK Battery, Inc., CBAK's former legal name, is named as a co-defendant in the active federal RICO lawsuit against MBAK (Case 4:26-cv-00091, N.D. Oklahoma). The complaint describes a commercial relationship between MBAK and China BAK Battery apparently represented to investors as part of the investment proposition.
- If the MBAK ticker was chosen to imply a relationship with CBAK/China BAK Battery, the inclusion of China BAK Battery as a co-defendant in the fraud litigation is consistent with that implied relationship having been used as an investor inducement.

MIA Global's Address: Inside the BAK Power Building

MBAK's own public website contains the following contact information for battery and product inquiries:

"For all battery and electronic products enquiries: MIA GLOBAL, BAK Building, Suite 1301, Keyuan Road, Nanshan District, Shenzhen, CHINA"

This single line of text on a public website establishes a chain of connections that no other document in the MBAK disclosure universe makes visible.

- **MIA Global is the operational entity, not MBAK.** When a customer attempts to purchase a battery from publicly listed MBAK Energy Solutions, they are directed not to MBAK but to MIA Global, a separate private entity. This is the Paper Cycle made visible in a single website entry: MBAK is the public vehicle that recognizes revenue on paper, while MIA Global handles the actual commercial relationship and, based on the analysis in Section 4, captures the cash.
- **The BAK Building is the headquarters of Shenzhen BAK Power Battery Co., Ltd.** BAK Power (bakpower.com) is a legitimate, well-established Chinese battery manufacturer founded in 2001, headquartered at Keyuan Road, Nanshan District, Shenzhen. This is confirmed by BAK Power's own published contact information. MIA Global, the primary defendant in the active federal RICO litigation, is directing MBAK's customers to a suite inside BAK Power's headquarters building.
- **CBAK Energy Technology holds a 5% stake in BAK Power and has a commercial supply agreement with it.** In September 2023, CBAK Energy Technology (NASDAQ: CBAT) announced that its subsidiary Nanjing CBAK would acquire a 5% stake in BAK Power for approximately $35.57 million, with BAK Power agreeing to supply battery products to CBAK Energy. CBAK Energy Technology, formerly China BAK Battery, is named as a co-defendant in Case 4:26-cv-00091 alongside MBAK and MIA Global.
- **The full chain has not been disclosed by any party.** MIA Global, MBAK's customer-facing entity, operates from a suite in the building of a company that has a commercial relationship with the Nasdaq-listed co-defendant in the RICO litigation. Neither MBAK's OTC filings, CBAK's SEC filings, nor any press release from any of the parties discloses any relationship between MIA Global and BAK Power or the BAK Building arrangement. Whether this reflects a genuine commercial relationship between MIA Global and BAK Power, or simply an address of convenience, is a question that discovery is positioned to answer.

The Shenzhen Meeting

The allegation that the BAK Building arrangement served as an active instrument of investor inducement — rather than a borrowed address — is now part of the federal court record.

The Amended Complaint filed March 19, 2026 (Doc 18) alleges that Plaintiff Terrence Anton traveled to Shenzhen, China, for a meeting arranged at China BAK headquarters. Upon arriving,

Anton was greeted by Michelle Boos alongside the Vice Chairman of BAK. During a two-hour meeting discussing MIA Global products, Anton was explicitly told that MIA Global and China BAK were partners. The Plaintiffs allege this representation was made to legitimize the operation and fraudulently induce them into committing capital.

Two facts about this allegation are worth stating precisely.

First, no partnership between MIA Global and China BAK Battery has ever appeared in any MBAK investor disclosure. No commercial relationship between MIA Global and BAK Power or China BAK Battery has been disclosed in any CBAK SEC filing. The representation allegedly made to Anton in that meeting — that MIA Global and China BAK were partners — has never been confirmed, acknowledged, or even referenced in any public document filed by either company.

Second, the meeting as alleged was not an incidental encounter. A prospective investor traveled to China specifically for it. It was held at the physical headquarters of a legitimate, decades-old battery manufacturer. It was attended by a senior officer of that manufacturer alongside the Chairman of the OTC-listed company. The setting, the participants, and the explicit partnership representation were, according to the Amended Complaint, the mechanism by which capital was induced.

What the record now establishes is that the BAK Building address on MBAK's public website, the undisclosed relationship between MIA Global and BAK Power, and the partnership representation allegedly made to a named plaintiff inside that building are three components of the same structure. This is not a chain of coincidences. It is a structure that deserves explanation.

Source: MBAK Energy Solutions website (mbakcorp.com), Contact page (accessed March 2026); BAK Power website (bakpower.com), Contact page (accessed March 2026); CBAK Energy Technology press release, September 28, 2023 (PRNewswire): 'CBAK Energy Announces a Strategic Investment in BAK Power'; Case 4:26-cv-00091-SH, Doc 18 (Amended Complaint, March 19, 2026).

9. What Happens Next

As of the publication date of this report, the following developments are active or imminent:

- **Federal court status hearing today.** Case 4:26-cv-00091 has a status hearing before Magistrate Judge Huntsman at 1:30 PM CT today, March 30, 2026. Key defendants including MBAK Energy Solutions, Michelle Boos, Nolin Han, and the MIA Global entities have filed no appearances as of the last docket update on March 22, 2026. Non-appearance in an active federal RICO case may result in default proceedings against those defendants.

- **CBAK Energy Technology reporting today.** CBAK Energy Technology, Inc. (NASDAQ: CBAT), formerly known as China BAK Battery, Inc., is reporting full year 2025 financial results today. China BAK Battery is named as a co-defendant in Case 4:26-cv-00091. As a Nasdaq-listed company, CBAK's SEC disclosure obligations may require it to address this litigation in connection with today's financial results.
- **OTC Markets profile anomaly unresolved.** The company's certifying officer has been removed from the OTC Markets issuer profile without explanation, while the certified disclosures remain in place. The Wyoming SOS record confirms that Han is the statutory Treasurer while certified as Independent Director. Neither anomaly has been addressed by the Issuer.
- **Hardline Research LETSATSI investigation ongoing.** We are independently investigating the legitimacy of LETSATSI Power South Africa and the reported Zambian government BESS tender announced on March 25, 2026. Results will be published as they become available.

Conclusion

MBAK Energy Solutions presents itself to retail investors as a growing battery energy storage company with a $65 million pipeline, global operations, and independent governance. Our analysis of publicly available documents tells a different story:

- A Chairman who is the subject of a February 2022 French criminal judgment finding fraud and imposing a permanent management ban — a judgment that has never appeared in any MBAK investor disclosure, with appeal proceedings still ongoing
- Controlling shares that were publicly attributed to a corporate acquirer but ended up in the Chairman's personal name, while the alleged acquirer was silently downgraded to a mere "affiliate"
- Revenue that was never collected, costs that were never paid, and cash that was never received from customers
- An "independent" director who is a statutory officer of the company under Wyoming law
- A federal RICO lawsuit omitted without explanation from a certified Annual Report
- A $65 million order pipeline managed by a $1,200 subsidiary
- A ticker apparently chosen to echo a legitimate Nasdaq battery company that is itself named as a co-defendant in the fraud litigation

We believe MBAK Energy Solutions, Inc. is a fraud. We believe retail investors who have purchased shares based on its public disclosures have been materially misled. We are

publishing this report because investors are being harmed in real time and deserve to see the full picture that the company's own disclosures have failed to present.

Investors who have purchased MBAK shares and believe they may have been defrauded are encouraged to consult a securities attorney and to file a complaint with the SEC at sec.gov/tcr.

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